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IDAHO PUBLIC  
UTILITIES COMMISSION

**DONOVAN E. WALKER**  
Lead Counsel  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)

September 26, 2016

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
Boise, Idaho 83702

Re: Case No. IPC-E-16-21  
Jackpot Solar – Petition for Declaratory Order

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Petition for Declaratory Order.

Very truly yours,



Donovan E. Walker

DEW:csb  
Enclosures

DONOVAN E. WALKER (ISB No. 5921)  
Idaho Power Company  
1221 West Idaho Street (83702)  
P.O. Box 70  
Boise, Idaho 83707  
Telephone: (208) 388-5317  
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Attorney for Idaho Power Company

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER	)	
COMPANY'S PETITION FOR	)	CASE NO. IPC-E-16-21
DECLARATORY ORDER REGARDING	)	
PROPER AVOIDED COST PRICING	)	PETITION FOR DECLARATORY
FOR JACKPOT SOLAR.	)	ORDER
	)	

Idaho Power Company ("Idaho Power" or "Company"), pursuant to RP 101, hereby petitions the Idaho Public Utilities Commission ("IPUC" or "Commission") to issue an order determining the proper avoided cost pricing to be included in the Public Utility Regulatory Policies Act of 1978 ("PURPA") contract(s) requested by Jackpot Solar.<sup>1</sup>

Idaho Power, a vertically integrated public utility electric service provider regulated in the state of Idaho by the IPUC, is the petitioner in this matter. PURPA

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<sup>1</sup> Jackpot Solar initially applied over a period of time from August 2015 through July 2016 for interconnection of five different 20 MW solar projects at the same location. Jackpot Solar initially requested PURPA QF pricing on May 20, 2016, via electronic mail for a 20-year contract for an 80 MW solar QF project. On May 26, 2016, Jackpot Solar modified its request for pricing of a single 80 MW project and submitted applications pursuant to Tariff Schedule 73 for four separate 20 MW solar QF projects: Jackpot North, LLC; Jackpot South, LLC; Jackpot East, LLC; and Jackpot West, LLC. These projects are hereafter referred to collectively as "Jackpot Solar."

requires Idaho Power, as a public utility, to purchase generation from cogeneration and small power production facilities that are certified as PURPA qualifying facilities (“QFs” or “QF”) at avoided cost rates determined by the IPUC. Jackpot Solar claims it is entitled to avoided cost pricing that includes the lock-in of capacity rates determined at the time of its initial two-year contract that extend to future contracts beyond the two-year contractual term. Attachments 3, 5, 8, 11. Idaho Power asserts that the Commission’s Order Nos. 33357 and 33419 in Case No. IPC-E-15-01 require avoided cost rates to be determined at the beginning of each two-year contractual term, and locks in a capacity deficiency date, but in no way locks in an avoided cost rate determined at the time of contracting beyond the authorized maximum two-year term of the contract. Attachments 7, 10.

Idaho Power seeks a declaratory ruling from the Commission that the properly authorized avoided cost rate for Jackpot Solar when selecting rates determined at the time of contracting (as opposed to rates determined at the time of delivery) is the avoided cost determined by the incremental cost Integrated Resource Plan (“IRP”) methodology at the beginning of each two-year contractual term rather than upon its initial contract, and that the QF is not entitled to lock in an avoided cost rate beyond the two-year maximum contractual term.

In support of this Petition, Idaho Power states as follows:

### **I. FACTS**

Idaho Power has attached hereto, and incorporates herein by this reference, as Attachments 1 through 11, correspondence between Idaho Power and Jackpot Solar regarding Jackpot Solar’s request for QF pricing and contracts.

Jackpot Solar initially contacted Idaho Power by applying for the interconnection of Jackpot North, 20 megawatts ("MW"), and Jackpot South, 20 MW, on August 10, 2015. Jackpot Solar subsequently applied for the interconnection of Jackpot East, 20 MW, and Jackpot West, 20 MW, on March 15, 2016. Jackpot Solar then applied for the interconnection of Carter Solar, 20 MW, on July 18, 2016. All projects applied for interconnection as separate 20 MW solar projects located at the same site. All projects elected to be studied for interconnection as Energy Resources ("ER"), stating that they intended to be independent power generators and sell their output either to the market, to California, to NV Energy, or some other entity other than Idaho Power. Jackpot Solar was informed that if it desired to sell its output to Idaho Power as a PURPA QF, that it must be studied as a Network Resource (NR), and Jackpot Solar affirmed its request to interconnect and be studied as an ER. Jackpot Solar's interconnection request is currently in the second phase of study, the System Impact Study, as an ER.

At Jackpot Solar's request, Idaho Power held a meeting between Jackpot Solar and Idaho Power's Transmission Energy Scheduling Leader on May 19, 2016, to discuss the process and requirements for Jackpot Solar to request and obtain wheeling service for its generation output on Idaho Power's system pursuant to Idaho Power's Open Access Transmission Tariff (OATT). The next day, on May 20, 2016, Jackpot Solar submitted an electronic mail request to counsel for Idaho Power requesting pricing for a 20-year contract for a single 80 MW Jackpot Solar QF project. Attachment 1.

Idaho Power responded to Jackpot Solar's May 20 request on May 23, 2016. Attachment 2. In that letter, Idaho Power notified Jackpot Solar that in order to respond to Jackpot Solar's request, the QF must submit an Application pursuant to Tariff

Schedule 73 and follow the pricing and contracting process established by that tariff schedule. *Id.* Additionally, Idaho Power informed Jackpot Solar that because it was an 80 MW solar QF project, it was not eligible for a 20-year contract, and upon receipt of a complete Application and request for an indicative pricing proposal, Idaho Power would provide the QF with two-year indicative pricing. *Id.*

On May 26, 2016, Jackpot Solar sent a cover letter and four Schedule 73 Applications for four separate projects, each at 20 MW: Jackpot North, LLC; Jackpot South, LLC; Jackpot East, LLC; and Jackpot West, LLC. Attachment 3. Jackpot Solar again requested indicative pricing for 20 years stating, "The ESA Applications request 20 year pricing pursuant to the Idaho Public Utilities Commission's most recent ruling on entitlement to such pricing pursuant to the 'IRP' methodology for estimating the Company's avoided cost rates." *Id.* Jackpot further stated, "these projects seek to execute contracts now and lock in calculated avoided capacity and energy costs projected for the next twenty years as they intend to, and will appropriately obligate themselves, continuously renew the initial two year contract for the subsequent nine (9) contract periods." *Id.*, p. 2 (citing to Order No. 33357).

On June 1, 2016, Idaho Power responded to Jackpot Solar's May 26 submission and request by letter stating that the Applications were incomplete and identifying such additional information that was required to complete the Applications. Attachment 4. Regarding the proposed contract term Idaho Power stated, "Your Applications list 20 years under Proposed Contracting Term. For clarification, Idaho Power will assume you are requesting the maximum contract term available for your proposed projects, which is 2 years." *Id.*

On June 3, 2016, Jackpot Solar responded by both electronic mail and by letter. Attachment 5. Jackpot Solar forwarded generation profile information by e-mail, and provided responses regarding the remaining incomplete Application items by letter. *Id.* Jackpot Solar's letter again stated its belief that Commission Order No. 33357 entitled it to 20-year contract pricing:

We want to be clear that these projects intend to comply with the Commission's Order No. 33357 (quoted in our initial letter requesting indicative pricing) in that, although the "initial IRP-based contract" term will be for two years, the contract must have an evergreen provision to allow it [sic] comply with the Commission's directive that it be allowed to be in "continuous operation." For these projects, we have decided to self-limit our "continuous operation" rights to just nine successive contract renewal periods for a total of twenty contract years. As the Commission observed, it is only through the continuous renewal process that "the QF is considered part of the utility's resource stack and will be contributing to reducing the utility's need for capacity."

*Id.*, p. 3 (emphasis in original).

On June 6, 2016, Idaho Power sent Jackpot Solar a letter stating that it deemed its Schedule 73 Applications complete as of June 3, 2016, and would provide indicative pricing within 20 business days as required by Schedule 73. Attachment 6.

On June 29, 2016, Idaho Power provided four separate indicative pricing proposals to Jackpot Solar, containing two-year indicative avoided cost pricing. Attachment 7. In the cover letter accompanying said indicative pricing proposals Idaho Power stated:

In your letters dated May 26, 2016, and June 3, 2016, you make reference to IPUC Order No. 33357 and state that these proposed projects "seek to execute contracts now and lock in calculated avoided capacity and energy costs projected for the next twenty years". Order No. 33357 does not allow this to happen. Order No. 33357 establishes that

the maximum length of new IRP-based contracts is two years, and provides that the utility's **capacity deficiency** is established at the time of a QF's initial two-year contract, should that QF remain in continuous operation and enter into subsequent two-year contracts with the utility. This order does not provide any authorization or authority for QF projects to lock in pricing, either for capacity or for energy, which extends beyond the two-year term of the contract, and in fact expressly directs that avoided cost pricing is established anew for each new contract's two-year maximum term. The Order, and the language you cite to therefrom, allows the utility's current **capacity deficiency** time period to be established at the time of the QF project's initial two-year contract – which means that for any subsequent, new, two-year contract with continuous operation that the utility's capacity deficiency time period remains the same as that which was established with the initial contract. As you know, QF projects do not receive the capacity component of avoided cost rates during the utility's capacity sufficient time period, and receives only the energy component of avoided cost rates until the utility's first capacity deficit. Therefore, Idaho Power has included two years of pricing in its indicative pricing proposal as required by Schedule 73 and applicable IPUC orders. Idaho Power's current first capacity deficiency for avoided cost rates is July 2024 as established by Order No. 33377.

Attachment 7, pp. 1-2 (emphasis in original).

On July 7, 2016, Jackpot Solar responded acknowledging that the contract term is limited to two years and requesting draft contracts, but continuing to argue that it is entitled to lock in capacity rates, determined now, for some future contract beyond the maximum two-year contract term, stating that the Commission's orders require "the capacity rate for these future contracts be 'calculated at the time' we 'initially enter' our IRP-based contract." Attachment 8, p. 2 (emphasis in original letter).

On July 20, 2016, Idaho Power's energy contracting group responded to Jackpot Solar's request for draft contracts by letter identifying additional required information pursuant to Schedule 73 that was necessary to complete the requested draft contracts.

Attachment 9. Also on July 20, 2016, counsel for Idaho Power sent a letter to Jackpot Solar regarding the argument put forth by Jackpot Solar concerning its claimed entitlement to lock in forecasted capacity avoided cost rates beyond its two-year contract term. Attachment 10. In this letter, Idaho Power again reiterates that Order No. 33357 does not provide for the lock-in of capacity rates at the time of the QF's initial contract but does provide for a lock-in of the utility's capacity deficiency time period at that time. *Id.*, p. 1. Idaho Power emphasizes in this letter that the Commission's Order No. 33419 upon reconsideration of Order No. 33357 directly addresses and provides certainty regarding Jackpot Solar's position and argument regarding the proper avoided cost rate. "The proper avoided cost capacity rate is established at the start of each two-year contract term. 'A capacity rate calculated at the start of each specified term rather than upon a QF's initial contract, is a truer reflection of the utility's avoided cost for capacity.'" *Id.* (footnotes omitted)(quoting Order No. 33419, p. 23). Idaho Power quotes at length nearly an entire subsection of the Commission's reconsideration Order No. 33419, claiming that the Commission directly and expressly addressed Jackpot Solar's arguments, which were considered and rejected by the Commission on reconsideration. Attachment 10.

On September 1, 2016, Jackpot Solar responded to Idaho Power's July 20, 2016, letter again stating its position and arguments that it is entitled to lock in avoided cost capacity rates determined at the time of its initial two-year contract for subsequent contract term(s). Attachment 11. Jackpot Solar claims that the Commission's orders clearly support its position and arguments and threatens legal action against Idaho Power. *Id.*

## **II. DISCUSSION**

The Commission has recognized its role when considering a petition for declaratory ruling.

Declaratory rulings are appropriate regarding the applicability of any statutory provision or of any rule or order of this Commission. See IDAPA 31.01.01.101; Uniform Declaratory Judgment Act, *Idaho Code* 10-1201 *et seq.* A declaratory ruling contemplates the resolution of prospective problems. The rights sought to be protected by a declaratory judgment may invoke either remedial or preventive relief; it may relate to a right that is only yet in dispute or a status undisturbed but threatened or endangered; but in either event it must involve actual and existing facts. *Idaho Supreme Court in Harris v. Cassia County*, 106 Idaho 513, 516-517, 618 P.2d 988 (1984).

Order No. 29580, p. 16. Additionally, the Commission may clarify any order on its own motion. RP 325.

The Commission has directly addressed the arguments put forth by Jackpot Solar in a dedicated subsection of its order on reconsideration. Order No. 33419, pp. 22-23 (subsection C.2). The same argument insisted upon now by Jackpot Solar was put forth in the Petition for Reconsideration of Order No. 33357 by counsel for Jackpot Solar, who was at that time counsel for Clearwater Paper Corporation and J.R. Simplot Company.

The Commission's orders are clear. The utility's capacity deficiency is established at the time of the QF's initial contract. Order No. 33357, pp. 25-26 (assuming continuous operation and subsequent two-year contracts). The proper avoided cost capacity rate is established at the start of each two-year contract term. Order No. 33419, p. 23. "A capacity rate calculated at the start of each specified term

rather than upon a QF's initial contract, is a truer reflection of the utility's avoided cost for capacity." *Id.*

It is clear from review of the Commission's Order No. 33357, in its entirety and in particular pages 25 and 26, as well as from the Commission's Order No. 33419, pp. 20-23, on reconsideration of Order No. 33357, that the capacity rate is calculated at the start of each specified two-year contract term, and not locked in at the QF's initial contract. In fact, the Commission directly addressed this particular issue on reconsideration in response to Jackpot Solar counsel's arguments in that docket. Order No. 33419, pp. 22-23. In rejecting those arguments made on behalf of Clearwater Paper Corporation and J.R. Simplot Company in its Petition for Reconsideration of Order No. 33357, the Commission stated:

If the utility has a capacity surplus, then a first-time QF entering into its two-year IRP contract is not eligible to receive any payment for capacity. However, if the purchasing utility has a capacity deficit in the initial or subsequent two-year contract, then the QF is eligible to receive capacity payments from that point forward.

Order No. 33419, p. 21. The Commission then went on to address, and reject, the same argument that Jackpot Solar is now attempting to make again.

2. Forecasted Capacity Rates. The Petitioners also argue that PURPA's implementing regulations entitle them to a forecasted capacity rate when they enter into their contract/obligation. For example, if Clearwater or Simplot enters into a contract for their unbuilt and speculative facilities to be effective in 2015 but the utility has a capacity surplus until 2024, the Petitioners argue they are entitled to a future capacity rate for 2024, when the utility is capacity deficient . . . . They assert the capacity adjustment does not comply with section 292.304(b) which "requires that the QF be provided a fixed price to sell that capacity at the time of commencement of the [contract or] obligation – not a rate calculated . . . several years from now." Petition at 14.

***Commission Findings:*** We find Petitioners misunderstand our Order and FERC regulations. The regulations provide that a QF has the option to either provide energy or capacity as available, or at avoided cost rates calculated “over [the] specified term.” 18 C.F.R. § 292.304(d)(1), (2). If the QF chooses to sell power to the utility over a specified term, the QF may have the rates calculated for the term at either “the time of delivery; or . . . at the time the obligation is incurred.” 18 C.F.R. § 292.304(d)(2)(1-11). In Order No. 33357, we determined that “the specified term” for new standard IRP-based contracts is two years. Thus, Clearwater and Simplot are entitled to receive avoided cost capacity rates for the specified term calculated at either the time of delivery or at the time they enter into their contract/obligation.

We also directed the Utilities to establish their capacity deficiency date when a QF’s initial IRP-based contract is signed. Order No. 33357 at 25-26. This capacity adjustment mechanism recognizes that if a QF continues to provide energy to a utility through when the utility would otherwise experience a capacity deficiency, the QF will be paid for its capacity contribution. But until a QF enters into a contract during which that capacity deficit date occurs, the avoided cost capacity rate is zero.

As Mr. Wenner opined, a QF “is entitled to receive [capacity] rates based on the capacity cost that the utility can avoid as a result of its obtaining capacity from the [QF].” Tr. at 586, *quoting* 45 Fed.Reg. at 12,225. A capacity rate calculated at the start of each specified term rather than upon a QF’s initial contract, is a truer reflection of the utility’s avoided cost for capacity. The capacity adjustment mechanism thus ensures the QF receives the full avoided cost of the utility, consistent with FERC regulations.

Order No. 33419, pp. 22-23 (emphasis in original).

Consequently, as stated previously, the utility’s capacity deficiency is established at the time of the QF’s initial contract. The proper avoided cost capacity rate is established at the start of each two-year contract term. Idaho Power is currently capacity sufficient through July of 2024 for purposes of PURPA avoided cost determinations. Case No. IPC-E-15-20, Order No. 33377. Thus, the proposed Jackpot

Solar QF projects receive an avoided cost capacity price of zero, unless and until they continuously enter into two-year term contracts that reach the July 2024 first capacity deficit. If that occurs, then the projects would receive a capacity payment from that point forward. Assuming Jackpot Solar was entering into its initial contract now, the first deficit of July 2024 would be set at this time, the time of Jackpot Solar's initial contract. However, the price is set with the two-year contract that is entered into during which the capacity deficit date occurs. Inputs to avoided cost rates are updated at least annually, and sometimes more frequently. The capacity deficiency for avoided cost pricing is set every other year by a dedicated case proceeding filed at the same time the utility files its IRP. If Jackpot Solar were entering into its initial contract now, it may be entitled to non-zero capacity payments starting in July of 2024, if it remains in continual operation and enters into consecutive two-year contracts that reach that first deficit date. However, the specific capacity rate will be determined at such time as if, and when, the contract is entered into during which that capacity deficit date occurs.

Jackpot Solar characterizes the above-quoted language from subsection C.2 of Order No. 33419 as "dicta" that suggests Idaho Power's "understanding may be accurate." Attachment 11, p. 1 ("You do note in your letter several passages from the Commission's order that suggest, in dicta, that your understanding may be accurate."). The Commission's discussion and findings in subsection C.2 on pages 22-23 of Order No. 33419 are well beyond mere dicta. In direct response to the issue raised on reconsideration seeking a determination that a QF is entitled to have capacity rates determined and forecasted at the initial time of contracting for a future date and potential contract beyond the maximum term of the present contract, the Commission

stated in its “Commission Findings” section, “A capacity rate calculated at the start of each specified term rather than upon a QF’s initial contract, is a truer reflection of the utility’s avoided cost for capacity.” Order No. 33419, p. 23. This is the Commission’s finding. It is not a recitation of background, facts, or of a particular party’s position. It is the Commission’s own words, its findings, in its rejection of Clearwater Paper Corporation and J.R. Simplot Company’s argument that they were entitled to capacity rates in future contracts, that are determined now, rather than at the start of the term of that particular contract.

No party appealed the Commission’s order on reconsideration, Order No. 33419, to the Idaho Supreme Court; thus, that Order became final, conclusive, and protected from collateral attack and attempts to reargue issues finally decided by that Order. Jackpot Solar’s arguments here are impermissible collateral attacks of issues addressed and settled by final Commission order.

Contrary to the express, decisive, and on-point Commission finding that a capacity rate is to be calculated at the start of each specified term rather than upon a QF’s initial contract, Jackpot Solar argues that one can interpret what the Commission meant from the inclusion of the bracketed word “rates” into a quotation of a passage from Order No. 33357 which appears in the “Background” section of the Commission’s order on reconsideration, Order No. 33419. Attachment 11, p. 2. One does not need to divine an interpretation of what the Commission meant from the inclusion in a background recitation of “[rates]” into a quotation. The Commission dedicated an entire subsection to directly addressing the issue raised, and in its “Commission Findings” rejecting Jackpot Solar’s interpretation, the Commission finds, or rules, that capacity

rates calculated at the start of each contract term, rather than upon the QF's initial contract, is a truer reflection of the utility's avoided cost for capacity. Order No. 33419, p. 23.

The Commission's findings that capacity rates are determined at the start of each contractual term, rather than at the QF's initial contract, makes perfect sense when viewed in the larger context of the Commission's determination in Order No. 33357, to limit the maximum contractual term of IRP-based contracts to two years, and its rejection of the arguments upon reconsideration to change that determination. A main driver of the limitation of the contract term to two years is the ability to determine and refresh the avoided cost rate on a more frequent basis. Order No. 33357, p. 23; Order No. 33419, pp. 8, 16-17, 18, 20-21.

In summary, the Commission has directly addressed the issue raised by Jackpot Solar and has made express, direct, and on-point Commission Findings that resolve the current issue between Jackpot Solar and Idaho Power regarding the proper avoided cost pricing for Jackpot Solar's proposed projects. The Commission's orders are clear. The utility's capacity deficiency is established at the time of the QF's initial contract, and the proper avoided cost capacity rate is established at the start of each two-year contract term. Order No. 33357, pp. 25-26; Order No. 33419, p. 23. "A capacity rate calculated at the start of each specified term rather than upon a QF's initial contract, is a truer reflection of the utility's avoided cost for capacity." *Id.*

### **III. CONCLUSION**

Idaho Power respectfully requests that the Commission issue a declaratory order finding that under the facts of Jackpot Solar's proposed PURPA QF transactions, the

proper avoided cost rates are determined at the start of each specified contract term rather than upon a QF's initial contract. More specifically, Idaho Power seeks a declaratory ruling from the Commission that the proper authorized avoided cost rate for a QF, such as Jackpot Solar, when selecting rates determined at the time of contracting (as opposed to rates determined at the time of delivery) is the avoided cost determined by the incremental cost IRP methodology at the beginning of each two-year contractual term rather than upon a QF's initial contract and that the QF is not entitled to lock in an avoided cost rate beyond the two-year maximum contractual term.

Respectfully submitted this 26<sup>th</sup> day of September 2016.



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DONOVAN E. WALKER  
Attorney for Idaho Power Company

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 26<sup>th</sup> day of September 2016 I served a true and correct copy of the within and foregoing PETITION FOR DECLARATORY ORDER upon the following named parties by the method indicated below, and addressed to the following:

**Jackpot Solar**

Peter J. Richardson  
RICHARDSON ADAMS, PLLC  
515 North 27<sup>th</sup> Street (83702)  
P.O. Box 7218  
Boise, Idaho 83707

☐ Hand Delivered  
☒ U.S. Mail  
☐ Overnight Mail  
☐ FAX  
☒ Email [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

  
Christa Bearry, Legal Assistant

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 1**

**Darrington, Michael**

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**Subject:** FW: Jackpot Solar QF Pricing  
**Attachments:** Energy - Jackpot - 80MW.XLSX

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**From:** Peter Richardson [<mailto:peter@richardsonadams.com>]  
**Sent:** Friday, May 20, 2016 10:10 AM  
**To:** Walker, Donovan  
**Subject:** [EXTERNAL] Jackpot Solar QF Pricing

Donovan,

Attached is the 20X7 output data for the Jackpot 80 MW solar QF project. We would like for you to run the IRP methodology to arrive at a QF pricing matrix for a twenty year contract with a commercial operation date of December 1, 2017.

Please give me a call if you have any questions.

Thanks, Pete.

Peter Richardson  
Richardson Adams, PLLC  
515 N. 27th Street  
Boise, Idaho 83702  
(208) 938-7901 office  
(208) 867-2021 cell  
[peter@richardsonadams.com](mailto:peter@richardsonadams.com)

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 2**

May 23, 2016

Jackpot Solar  
Peter Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> Street  
Boise, ID 83702

VIA: Email Only – [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

RE: Jackpot Solar QF Pricing

Mr. Richardson,

Your May 20, 2016, email requesting pricing for a proposed Jackpot Solar QF project was forwarded to me for response. Idaho Power's tariff Schedule 73 describes the Qualifying Facility Energy Sales Agreement Application ("Application") process and information required for all requests for a PURPA Qualifying Facility Energy Sales Agreement. Schedule 73 is available on the Idaho Power website at [www.idahopower.com/AboutUs/RatesRegulatory/Tariffs](http://www.idahopower.com/AboutUs/RatesRegulatory/Tariffs). In order for Idaho Power to proceed with any indicative pricing proposal, an Application must be received and deemed complete by Idaho Power.

The generation profile you have submitted with your email, based on an 80 MW solar project, appears consistent with one of the Application items that is required, but your emailed request for pricing is not a complete Application. Therefore, Idaho Power is unable to perform any indicative pricing analysis until a complete Application is received.

Your email requests "a pricing matrix for a twenty year contract". Because the proposed project is 80 MW, it is not eligible for a 20-year contract nor for published rates. As described in Schedule 73, an 80 MW project is eligible for Rates Determined at the Time of Delivery per Schedule 86 or Integrated Resource Plan ("IRP") Based Rates. Upon receipt of a complete Application and request for an IRP based rate indicative pricing proposal, Idaho Power will provide two years of indicative pricing based on the anticipated commencement date of energy deliveries specified in the Application.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Michael Darrington  
Senior Energy Contract Coordinator

Cc: Randy Allphin (IPC)  
Donovan Walker (IPC)

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 3**



**RICHARDSON ADAMS, PLLC**  
ATTORNEYS AT LAW

Peter J. Richardson

Tel: 208-938-7901 Fax: 208-938-7904

peter@richardsonadams.com

P.O. Box 7218 Boise, ID 83707 - 515 N. 27th St. Boise, ID 83702

May 26, 2016

Michael Darrington  
Senior Energy Contract Coordinator  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho 83702  
HAND DELIVERY

Re: Jackpot Solar West, East, North and South LLCs Qualifying Facility Energy Sales  
Agreement Applications – Indicative Pricing Request

Dear Mr. Darrington:

Thank you for your letter of May 23, 2016, regarding the Jackpot Solar QF avoided cost pricing request. Pursuant to your letter we have formalized our indicative pricing request for the Jackpot Solar projects referenced above pursuant to the requirements in Idaho Power's Tariff Schedule 73. Accordingly, enclosed you will find four separate "Qualifying Facility Energy Sales Agreement Applications" (ESA Applications) for the four separate Jackpot Solar projects. The ESA Applications request 20 year pricing pursuant to the Idaho Public Utilities Commission's most recent ruling on entitlement to such pricing pursuant to the "IRP" methodology for estimating the Company's avoided cost rates.

**SCHEDULE 73 ESA APPLICATION ATTACHMENTS**

Schedule 73 requires that the following Attachments accompany the ESA Application:

1. Map of Facility Including Proposed Interconnection Point. Attached you will find the request map that is also attached to the Company's Feasibility Study Report.
2. Hourly Estimated Energy Deliveries. The 24X7 hourly estimates have been provided to you previously in an excel format spreadsheet. Please let me know if you need a hard copy printed out as well.

3. List of Acquired and Outstanding Qualifying Facility Permits. The projects have self-certified as Qualifying Facilities pursuant to the Federal Energy Regulatory Commission's requirements. Please reference FERC Docket Nos. QF15-604 (North); QF15-605 (South); QF16-726 (East) and QF16-727 (West). There are no other "Outstanding Qualifying Facility Permits" required.

4. There are no fuel transportation requirements for these solar PV facilities.

5. The facilities will be directly interconnecting with Idaho Power's system.

#### CONTACT RATES PURSUANT TO IPUC ORDER NO. 33357

It is my understanding that these IPR-calculated avoided cost rate contracts will be governed by the rate setting requirements found in the recent IPUC order referenced above. While that order does limit IRP-based contracts to two years, it makes specific findings relative to the ability of the QF to lock in avoided capacity when the initial "IRP-based contract is signed."<sup>1</sup> According to the avoided cost methodology established by the Commission, these projects are entitled to a calculation of the avoided cost rates using a capacity deficiency established "at the time the initial IRP-based contract is signed."<sup>2</sup> It is the intent of these projects, and they will accordingly obligate themselves, to (as the Commission requires) renew their "contract[s] and continuously sell power to the utility."<sup>3</sup> Although the Commission references the ability of the QF to "continuously sell power to the utility" we have decided to voluntarily limit these four projects to just nine (9) contract renewals which (including the initial two year contract term) provide for a total of twenty years of avoided energy and capacity payments.

To further aid in your provision of a twenty year stream of avoided costs rates, via a contract to be renewed every two years, the Commission explained:

For example, if the QF comes on-line in 2017 and the utility is capacity deficit in 2020, the QF would be entitled for capacity payments in the second year of its second contract and thereafter if in continuous operation. This adjustment recognizes that in ensuing contract periods, the QF is considered part of the utility's resource stack and will be contributing to reducing the utility's need for capacity.<sup>4</sup>

To summarize, these projects seek to execute contracts now and lock in calculated avoided capacity and energy costs projected for the next twenty years as they intend to, and will appropriately obligate themselves, continuously renew the initial two year contract for the subsequent nine (9) contract periods.

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<sup>1</sup> Order No. 33357 at page 25.

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> Id. at page 26.

We are looking forward to receipt of your indicative pricing proposal within twenty business days (ten if you determine the attached application is deficient) pursuant to Section 1(b) or (c) of Schedule 73.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Peter J. Richardson", with a long, sweeping horizontal line extending to the right.

Peter J. Richardson  
Richardson Adams, PLLC

Cc: Donovan Walker  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho 83702

## QUALIFYING FACILITY ENERGY SALES AGREEMENT APPLICATION

Idaho Power Qualifying Facility (QF) contact information:

Mailing Address:	Attn: Energy Contracts, PO Box 70 Boise, ID 83702
Physical Address:	1221 W Idaho Street, Boise, ID 83703
Telephone number:	208-388-6070
E-Mail Address:	<a href="mailto:rallphin@idahopower.com">rallphin@idahopower.com</a>

### **Preamble and Instructions**

All generation facilities that qualify pursuant to Idaho Power Company Schedule 73 for a QF Energy Sales Agreement and wish to sell energy from their facility to Idaho Power must complete the following information and submit this Application by hand delivery, mail or E-Mail to Idaho Power.

Upon receipt of a complete Application, Idaho Power shall process this request for a QF Energy Sales Agreement pursuant to Idaho Power Company Schedule 73.

### **Qualifying Facility Information**

#### Proposed Project

Name of Facility: Jackpot West, LLC

Resource Type: (i.e. wind, solar, hydro, etc): Solar PV

Facility Location: GPS Coordinates: 114.595 W 42.182 N

Nearest City or landmark: Jackpot, NV

County and State Twin Falls, ID

Map of Facility, including proposed interconnection point.

Anticipated commencement date of energy deliveries to Idaho Power: 12/1/18

Facility Nameplate Capacity Rating (kW): 25,545 kW DC

Facility Maximum Output Capacity (kW): 20,000 kW AC

Station Service Requirements (kW): 5,545 kW DC

Facility Net Delivery to Idaho Power (kW): 20,000 kW AC

Facility interconnection status: Feasibility Study

Proposed Contracting Term (cannot exceed 20 years): 20 years (see attached letter)

Requested Rate Option (details provided in Schedule 73): Non-Levelized Non-Fueled

Does the Facility have the ability to respond to dispatch Orders from Idaho Power Company (Yes or No): No

Please include the following attachments:

- ✓ Hourly estimated energy deliveries (kW) to Idaho Power for every hour of a one year period.
- ✓ List of acquired and outstanding Qualifying Facility permits, including a description of the status and timeline for acquisition of any outstanding permits.
  - At the minimum a FERC issued QF certificate/self-certification is required and/or evidence that Facility will be able to obtain a Qualifying Facility certificate.
- ✓ If the Facility will require fuel be transported to the Facility (i.e. natural gas pipelines, railroad transportation, etc), evidence of ability to obtain sufficient transportation rights to operate the Facility at the state Maximum Output Amount.
- ✓ If the Facility will not be interconnecting directly to the Idaho Power electrical system, evidence that the Facility will not be able to interconnect to another utility's electrical system and evidence that the Facility will be able to obtain transmission rights over all required transmission providers to deliver the Facility's energy to Idaho Power.

#### Owner Information

Owner / Company Name: Jackpot West, LLC

Contact Person: Robert Paul

Address: 515 N 27<sup>th</sup> Street

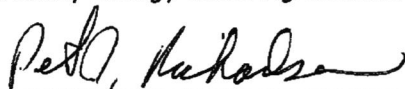
City: Boise State: ID Zip: 83702

Telephone: (208)938-7901

E-mail: robertapaul08@gmail.com

#### Applicant Signature

I hereby certify that, to the best of my knowledge, all information provided in this Qualifying Facility Energy Sales Agreement application is true and correct.



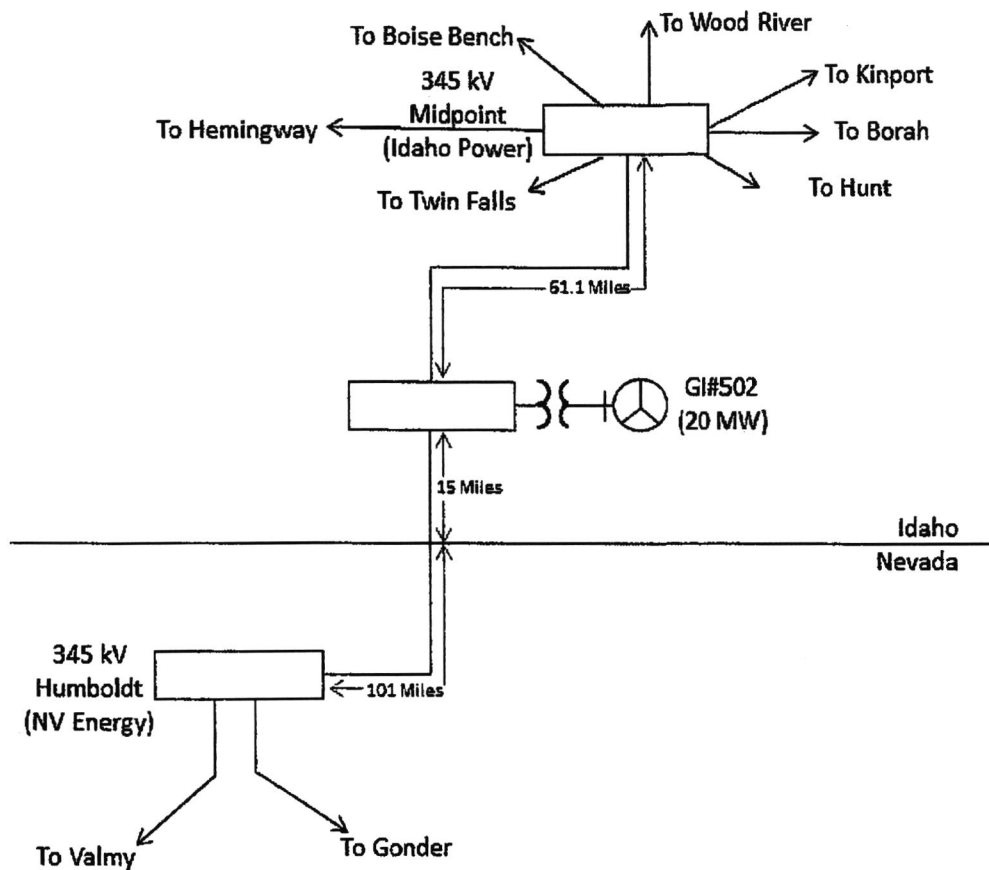
Signature

Peter Richardson  
Print Name

Date

June 26, 2016

## APPENDIX B. PROJECT LOCATION



## QUALIFYING FACILITY ENERGY SALES AGREEMENT APPLICATION

Idaho Power Qualifying Facility (QF) contact information:

Mailing Address:	Attn: Energy Contracts, PO Box 70 Boise, ID 83702
Physical Address:	1221 W Idaho Street, Boise, ID 83703
Telephone number:	208-388-6070
E-Mail Address:	<a href="mailto:rallphin@idahopower.com">rallphin@idahopower.com</a>

### **Preamble and Instructions**

All generation facilities that qualify pursuant to Idaho Power Company Schedule 73 for a QF Energy Sales Agreement and wish to sell energy from their facility to Idaho Power must complete the following information and submit this Application by hand delivery, mail or E-Mail to Idaho Power.

Upon receipt of a complete Application, Idaho Power shall process this request for a QF Energy Sales Agreement pursuant to Idaho Power Company Schedule 73.

### **Qualifying Facility Information**

#### Proposed Project

Name of Facility: Jackpot East, LLC

Resource Type: (i.e. wind, solar, hydro, etc): Solar PV

Facility Location: GPS Coordinates: 114.595 W 42.182 N

Nearest City or landmark: Jackpot, NV

County and State Twin Falls, ID

Map of Facility, including proposed interconnection point.

Anticipated commencement date of energy deliveries to Idaho Power: 12/1/18

Facility Nameplate Capacity Rating (kW): 25,545 kW DC

Facility Maximum Output Capacity (kW): 20,000 kW AC

Station Service Requirements (kW): 5,545 kW DC

Facility Net Delivery to Idaho Power (kW): 20,000 kW AC

Facility interconnection status: Feasibility Study

Proposed Contracting Term (cannot exceed 20 years): 20 years (see attached letter)

Requested Rate Option (details provided in Schedule 73): Non-Levelized Non-Fueled

Does the Facility have the ability to respond to dispatch Orders from Idaho Power Company (Yes or No): No

Please include the following attachments:

- ✓ Hourly estimated energy deliveries (kW) to Idaho Power for every hour of a one year period.
- ✓ List of acquired and outstanding Qualifying Facility permits, including a description of the status and timeline for acquisition of any outstanding permits.
  - At the minimum a FERC issued QF certificate/self-certification is required and/or evidence that Facility will be able to obtain a Qualifying Facility certificate.
- ✓ If the Facility will require fuel be transported to the Facility (i.e. natural gas pipelines, railroad transportation, etc), evidence of ability to obtain sufficient transportation rights to operate the Facility at the state Maximum Output Amount.
- ✓ If the Facility will not be interconnecting directly to the Idaho Power electrical system, evidence that the Facility will not be able to interconnect to another utility's electrical system and evidence that the Facility will be able to obtain transmission rights over all required transmission providers to deliver the Facility's energy to Idaho Power.

**Owner Information**

Owner / Company Name: Jackpot East, LLC

Contact Person: Robert Paul

Address: 515 N 27<sup>th</sup> Street

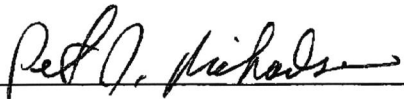
City: Boise State: ID Zip: 83702

Telephone: (208)938-7901

E-mail: robertapaul08@gmail.com

**Applicant Signature**

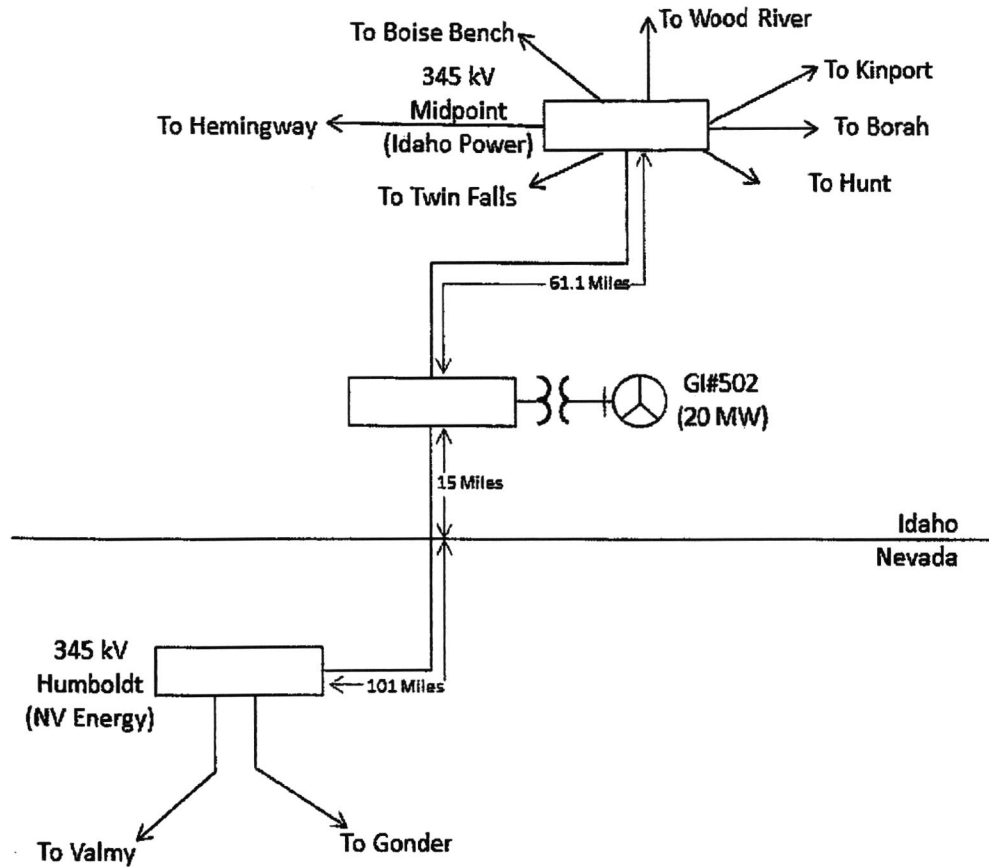
I hereby certify that, to the best of my knowledge, all information provided in this Qualifying Facility Energy Sales Agreement application is true and correct.

  
Signature

Peter Richardson  
Print Name

June 26, 2016  
Date

## APPENDIX B. PROJECT LOCATION



## QUALIFYING FACILITY ENERGY SALES AGREEMENT APPLICATION

Idaho Power Qualifying Facility (QF) contact information:

Mailing Address:	Attn: Energy Contracts, PO Box 70 Boise, ID 83702
Physical Address:	1221 W Idaho Street, Boise, ID 83703
Telephone number:	208-388-6070
E-Mail Address:	<a href="mailto:rallphin@idahopower.com">rallphin@idahopower.com</a>

### **Preamble and Instructions**

All generation facilities that qualify pursuant to Idaho Power Company Schedule 73 for a QF Energy Sales Agreement and wish to sell energy from their facility to Idaho Power must complete the following information and submit this Application by hand delivery, mail or E-Mail to Idaho Power.

Upon receipt of a complete Application, Idaho Power shall process this request for a QF Energy Sales Agreement pursuant to Idaho Power Company Schedule 73.

### **Qualifying Facility Information**

#### Proposed Project

Name of Facility: Jackpot South, LLC

Resource Type: (i.e. wind, solar, hydro, etc): Solar PV

Facility Location: GPS Coordinates: 114.595 W 42.182 N

Nearest City or landmark: Jackpot, NV

County and State Twin Falls, ID

Map of Facility, including proposed interconnection point.

Anticipated commencement date of energy deliveries to Idaho Power: 12/1/18

Facility Nameplate Capacity Rating (kW): 25,545 kW DC

Facility Maximum Output Capacity (kW): 20,000 kW AC

Station Service Requirements (kW): 5,545 kW DC

Facility Net Delivery to Idaho Power (kW): 20,000 kW AC

Facility interconnection status: Feasibility Study

Proposed Contracting Term (cannot exceed 20 years): 20 years (see attached letter)

Requested Rate Option (details provided in Schedule 73): Non-Levelized Non-Fueled

Does the Facility have the ability to respond to dispatch Orders from Idaho Power Company (Yes or No): No

Please include the following attachments:

- ✓ Hourly estimated energy deliveries (kW) to Idaho Power for every hour of a one year period.
- ✓ List of acquired and outstanding Qualifying Facility permits, including a description of the status and timeline for acquisition of any outstanding permits.
  - At the minimum a FERC issued QF certificate/self-certification is required and/or evidence that Facility will be able to obtain a Qualifying Facility certificate.
- ✓ If the Facility will require fuel be transported to the Facility (i.e. natural gas pipelines, railroad transportation, etc), evidence of ability to obtain sufficient transportation rights to operate the Facility at the state Maximum Output Amount.
- ✓ If the Facility will not be interconnecting directly to the Idaho Power electrical system, evidence that the Facility will not be able to interconnect to another utility's electrical system and evidence that the Facility will be able to obtain transmission rights over all required transmission providers to deliver the Facility's energy to Idaho Power.

#### Owner Information

Owner / Company Name: Jackpot South, LLC

Contact Person: Robert Paul

Address: 515 N 27<sup>th</sup> Street

City: Boise State: ID Zip: 83702

Telephone: (208)938-7901

E-mail: robertapaul08@gmail.com

#### Applicant Signature

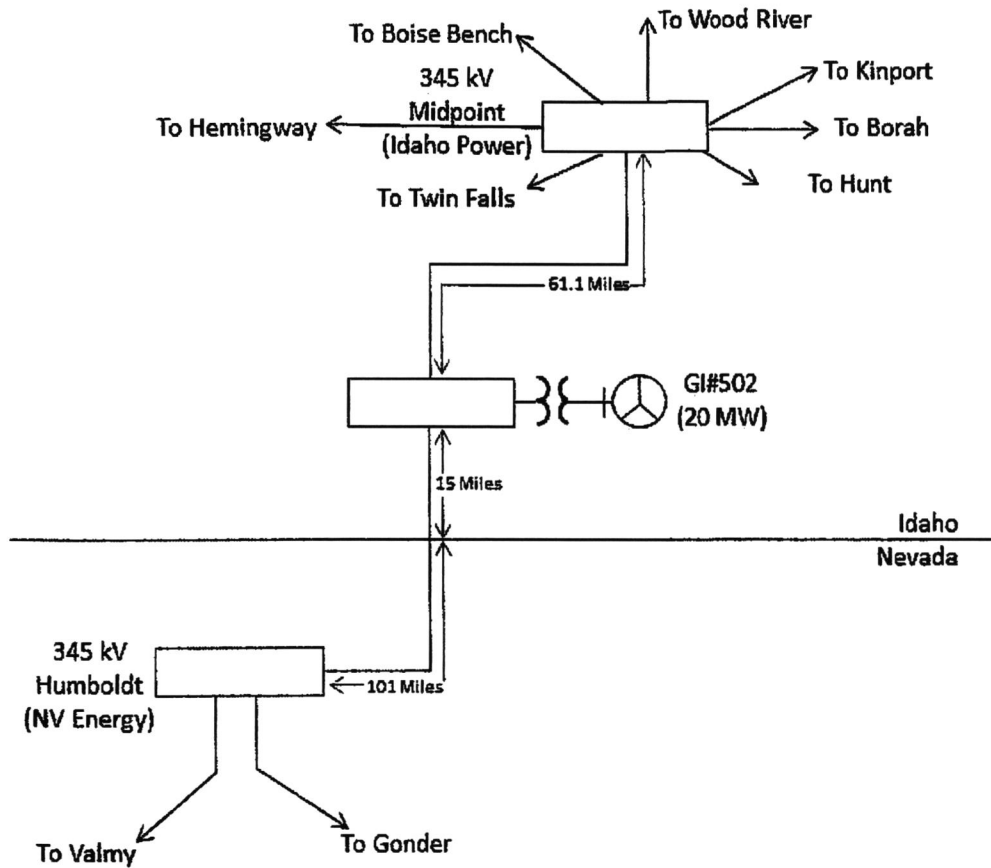
I hereby certify that, to the best of my knowledge, all information provided in this Qualifying Facility Energy Sales Agreement application is true and correct.

  
Signature

Peter Richardson  
Print Name

June 29, 2016  
Date

## APPENDIX B. PROJECT LOCATION



## QUALIFYING FACILITY ENERGY SALES AGREEMENT APPLICATION

Idaho Power Qualifying Facility (QF) contact information:

Mailing Address:	Attn: Energy Contracts, PO Box 70 Boise, ID 83702
Physical Address:	1221 W Idaho Street, Boise, ID 83703
Telephone number:	208-388-6070
E-Mail Address:	<a href="mailto:rallphin@idahopower.com">rallphin@idahopower.com</a>

### **Preamble and Instructions**

All generation facilities that qualify pursuant to Idaho Power Company Schedule 73 for a QF Energy Sales Agreement and wish to sell energy from their facility to Idaho Power must complete the following information and submit this Application by hand delivery, mail or E-Mail to Idaho Power.

Upon receipt of a complete Application, Idaho Power shall process this request for a QF Energy Sales Agreement pursuant to Idaho Power Company Schedule 73.

### **Qualifying Facility Information**

#### Proposed Project

Name of Facility: Jackpot North, LLC

Resource Type: (i.e. wind, solar, hydro, etc): Solar PV

Facility Location: GPS Coordinates: 114.595 W 42.182 N

Nearest City or landmark: Jackpot, NV

County and State Twin Falls, ID

Map of Facility, including proposed interconnection point.

Anticipated commencement date of energy deliveries to Idaho Power: 12/1/18

Facility Nameplate Capacity Rating (kW): 25,545 kW DC

Facility Maximum Output Capacity (kW): 20,000 kW AC

Station Service Requirements (kW): 5,545 kW DC

Facility Net Delivery to Idaho Power (kW): 20,000 kW AC

Facility interconnection status: Feasibility Study

Proposed Contracting Term (cannot exceed 20 years): 20 years (see attached letter)

Requested Rate Option (details provided in Schedule 73): Non-Levelized Non-Fueled

Does the Facility have the ability to respond to dispatch Orders from Idaho Power Company (Yes or No): No

Please include the following attachments:

- ✓ Hourly estimated energy deliveries (kW) to Idaho Power for every hour of a one year period.
- ✓ List of acquired and outstanding Qualifying Facility permits, including a description of the status and timeline for acquisition of any outstanding permits.
  - At the minimum a FERC issued QF certificate/self-certification is required and/or evidence that Facility will be able to obtain a Qualifying Facility certificate.
- ✓ If the Facility will require fuel be transported to the Facility (i.e. natural gas pipelines, railroad transportation, etc), evidence of ability to obtain sufficient transportation rights to operate the Facility at the state Maximum Output Amount.
- ✓ If the Facility will not be interconnecting directly to the Idaho Power electrical system, evidence that the Facility will not be able to interconnect to another utility's electrical system and evidence that the Facility will be able to obtain transmission rights over all required transmission providers to deliver the Facility's energy to Idaho Power.

#### Owner Information

Owner / Company Name: Jackpot North, LLC

Contact Person: Robert Paul

Address: 515 N 27<sup>th</sup> Street

City: Boise State: ID Zip: 83702

Telephone: (208)938-7901

E-mail: robertapaul08@gmail.com

#### Applicant Signature

I hereby certify that, to the best of my knowledge, all information provided in this Qualifying Facility Energy Sales Agreement application is true and correct.

Signature

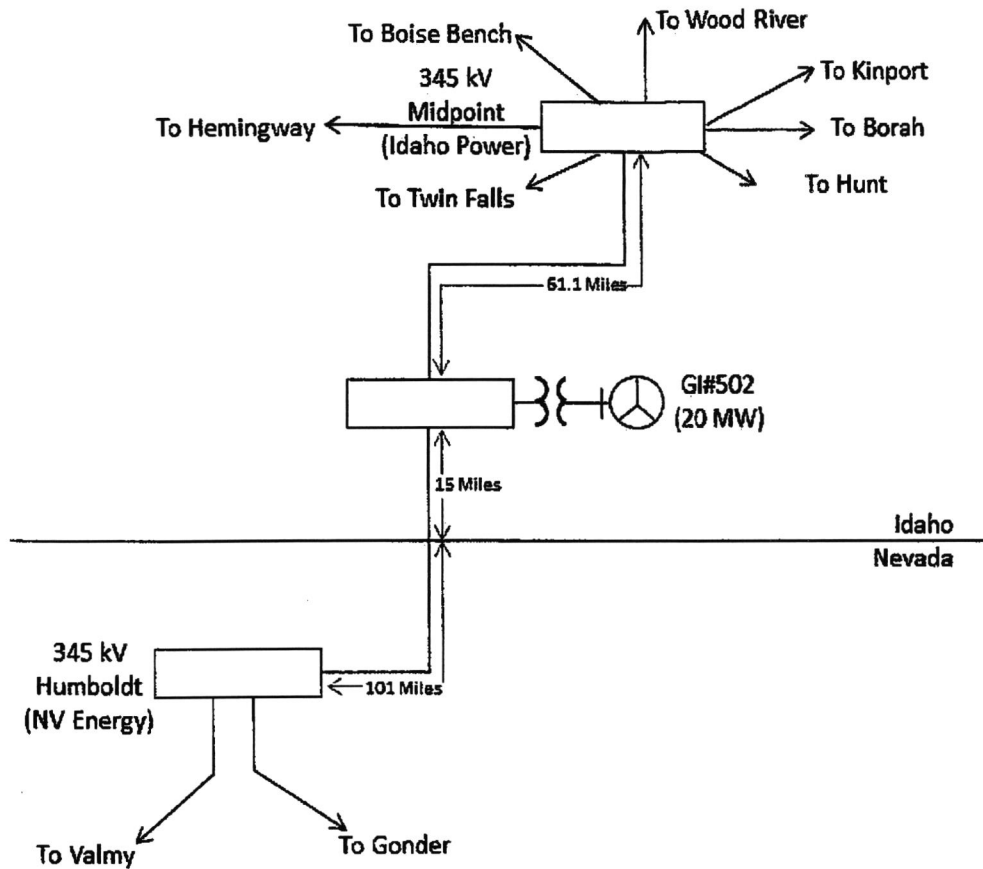


Peter Richardson  
Print Name

Date

Jan 26, 2016

## APPENDIX B. PROJECT LOCATION



**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 4**

June 1, 2016

Jackpot Solar  
Peter Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> Street  
Boise, ID 83702

VIA: Email Only – [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

RE: Jackpot Solar North, South, East and West Energy Sales Agreement Applications

Mr. Richardson,

Idaho Power is in receipt your Schedule 73 Energy Sales Agreement Applications (“Applications”) for the proposed Jackpot Solar North, Jackpot Solar South, Jackpot Solar East and Jackpot Solar West projects. As of the date of this letter, the Applications are not complete and the following information is required in order to complete the Applications.

**Schedule 73 – Contracting Procedures** lists the information required to obtain an indicative pricing proposal for a proposed Qualifying Facility (QF). In addition to the information you have already provided, Section Contracting Procedures 1.(a).(i). requires the QF owner’s organizational structure and chart.

**Hourly Estimated Energy Deliveries** – The Applications you submitted were for 4 separate 20 MW solar projects. The generation profile previously submitted was for a single 80 MW project. Please provide the hourly estimated energy deliveries for each project that you are requesting an Energy Sales Agreement, in the format of the attached 12 X 24 template.

Please also specify the order in which you would like the proposed projects to be priced.

**Proposed Contracting Term:** Your Applications list 20 years under Proposed Contracting Term. For clarification, Idaho Power will assume you are requesting the maximum contract term available for your proposed projects, which is 2 years.

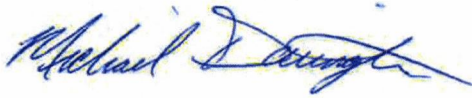
**Requested Rate Option:** Based on the Schedule 73 Rates Options definitions, please confirm if you are seeking Rate Option 5: Rates Determined at the Time of Delivery or Rate Option 6: IRP Based Rates. Your Applications stated Rate Option 4: Non-Levelized Non-Fueled Rates, which do not apply to a 20 MW solar project.

**Other Information:** Additionally, please complete the attached "Authority of Agents for execution and correspondence" form that will identify the individuals Idaho Power is authorized to communicate and conduct business with regarding your proposed projects.

Idaho Power is unable to begin any preparation of indicative pricing proposals for your projects until the Application information identified above is received and the Applications have been deemed complete.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Darrington", with a stylized flourish at the end.

Michael Darrington  
Senior Energy Contract Coordinator  
Phone: (208)388-5946  
Email: mdarrington@idahopower.com

Cc: Randy Allphin (IPC)  
Donovan Walker (IPC)  
Robert Paul (Jackpot)

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 5**

## **Darrington, Michael**

---

**From:** Peter Richardson <peter@richardsonadams.com>  
**Sent:** Friday, June 03, 2016 8:41 AM  
**To:** Darrington, Michael; Walker, Donovan; Allphin, Randy  
**Cc:** Robert Paul  
**Subject:** [EXTERNAL] FW: Jackpot Solar West, East, North and South Indicative Pricing Applications  
**Attachments:** PURPA Project Generation Form - Jackpot West.xlsx; PURPA Project Generation Form - Jackpot North.xlsx; PURPA Project Generation Form - Jackpot South.xlsx; PURPA Project Generation Form - Jackpot East.xlsx

Michael we will be providing you a written response to your letter requesting additional information on the Jackpot Solar North, South, East and West projects today. Here are the 24X7 spreadsheets for each project separately presented on its own spreadsheet. Please let me know if you need these on a disc or in some other format. Also please give me a call if you have any difficulty opening the attached..

-Pete

Peter Richardson  
Richardson Adams, PLLC  
515 N. 27th Street  
Boise, Idaho 83702  
(208) 938-7901 office  
(208) 867-2021 cell  
peter@richardsonadams.com



**RICHARDSON ADAMS, PLLC**  
ATTORNEYS AT LAW

Peter J. Richardson

Tel: 208-938-7901 Fax: 208-938-7904

[peter@richardsonadams.com](mailto:peter@richardsonadams.com)

P.O. Box 7218 Boise, ID 83707 - 515 N. 27th St. Boise, ID 83702

June 3, 2016

Michael Darrington  
Senior Energy Contract Coordinator  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho 83702  
HAND AND ELECTRONIC DELIVERY

Re: Jackpot Solar West, East, North and South LLCs Qualifying Facility Energy Sales  
Agreement Applications – Additional Information Response

Dear Mr. Darrington:

Thank you for your letter of June 1, 2016, regarding Idaho Power's request for additional information in order to make our Applications for Indicative Pricing complete. The additional information is provided herein. We are looking forward to your response within twenty business days (ten if you determine that the applications are deficient) pursuant to Section 1(b) or (c) of Schedule 73.

Schedule 73: Contracting Procedures 1.(a).(i). The QF owner's organizational structure and chart:

There is no organizational chart as the organizational structure is very flat. Each of the four projects is an LLC that is wholly owned by Alternative Power Development Northwest, LLC, (APD), and Idaho limited liability company. APD is a stand-alone LLC with no parent organization.

Hourly Estimated Energy Deliveries:

As you note, we provided you with a single 24X7 generation profile for an 80 MW project. Because all four of the projects are essentially located at the same geographic coordinates we had mistakenly assumed the gross generation from all four would be sufficient. However, in order to accommodate your request, via electronic mail as of this date, we have forwarded you four separate 24X7 generation profiles, one for each of the projects.

Proposed Contracting Term:

You expressed an assumption as to the "maximum contract term available for [the] proposed projects" of two years. We want to be clear that these projects intend to comply with the Commission's Order No. 33357 (quoted in our initial letter requesting indicative pricing) in that, although the "initial IRP-based contract" term will be for two years, the contract must have an evergreen provision to allow it comply with the Commission's directive that it be allowed to be in "continuous operation." For these projects, we have decided to self-limit our "continuous operation" rights to just nine successive contract renewal periods for a total of twenty contract years. As the Commission observed, it is only through the continuous renewal process that "the QF is considered part of the utility's resource stack and will be contributing to reducing the utility's need for capacity."

Requested Rate Option/Order of Pricing:

Thank you for your clarification that these projects are not entitled to the Non-Levelized Non-Fueled Rates. We intended to ask for, and now do so explicitly, the IRP Based Rates. We understand you will have to run separate IRP model runs for each project in succession. Please follow this order when doing so, Jackpot Solar North ... South ... East and finally, West. As to the time period to run the models, please provide pricing for the full expected twenty years over which each project intends to "continuous[ly]" provide energy and capacity to Idaho Power. It is only through such a twenty year model run that the projects will be able to comply with the Commission's directive that they are entitled to be compensated for "reducing the utility's need for capacity" via pricing set "at the time the initial IRP-based contract is signed."

Other Information:

Attached you will find a completed "Certificate of Authority for Agents" for each of the projects. As you will see Robert A. Paul and Peter J. Richardson are empowered to execute instruments/documents for each of the companies, Jackpot Solar North, South, West and East. Also Elizabeth Woolstenhulme and Scott Reynolds are duly authorized as agents of the Company.

Very truly yours,



Peter J. Richardson  
Richardson Adams, PLLC

Cc: Donovan Walker  
Idaho Power Company

## CERTIFICATION OF AUTHORITY FOR AGENTS

I, Robert A. Paul, the duly authorized and appointed Manager of Alternative Power Development, NW, LLC, Jackpot Solar North, LLC; Jackpot Solar South, LLC; Jackpot Solar East, LLC; and Jackpot Solar West, LLC ("Company"), HEREBY REPRESENT, WARRANT, AND CERTIFY to Idaho Power Company the following:

1. That the following persons are authorized and empowered, for and on behalf of the Company, to execute instruments, agreements, certificates, and other documents (collectively "Documents") and to take actions on behalf of the Company, and that Idaho Power Company and its directors, officers, employees, and agents (collectively, the "Idaho Power Company Parties") are entitled to consider and deal with such persons as agents of the Company for all purposes, until such time as an authorized officer of the Company shall have delivered to Idaho Power Company a notice in writing stating that such person is and shall not longer be an agent on behalf of the Company:

**Company 1:**

Name of Company: Same as above

Name of Projects: Jackpot Solar North . . . South . . . East and West, LLCs.

Name	Title
Peter Richardson	Member
Robert A. Paul	Managing Member

**Company 2:**

Name of Company: \_\_\_\_\_

Name of Project: \_\_\_\_\_

Name	Title

Any Documents executed by the foregoing persons shall be deemed duly authorized by the Company for all purposes.

2. That the following are authorized and empowered, for and on behalf of the Company, to correspond directly with the Idaho Power Company Parties and the Idaho Power Company Parties are entitled to consider and deal with such persons as agents of the Company for such limited correspondence purposes, until such time as an authorized officer of the Company shall have delivered to Idaho Power Company a notice in writing stating that such person is and shall not longer be an agent on behalf of the Company:

Company 1:

Name of Company: Same as above.

Name of Projects: Same as above.

<u>Name</u>	<u>Title</u>
-------------	--------------

<u>Elizabeth</u>	
------------------	--

<u>Woolstenhulme</u>	<u>Sr. V.P., Development</u>
----------------------	------------------------------

<u>Scott Reynolds</u>	<u>Electrical Engineer</u>
-----------------------	----------------------------

Company 2:

Name of Company: \_\_\_\_\_

Name of Project: \_\_\_\_\_

<u>Name</u>	<u>Title</u>
-------------	--------------

Notwithstanding the foregoing, only upon the express authorization of those identified in Paragraph 1 shall the persons identified in this paragraph 2 be authorized or empowered, for and on behalf of the Company, to execute any Documents or otherwise legally bind the Company.

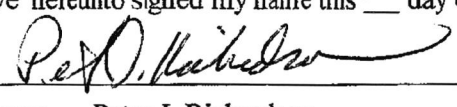
IN WITNESS WHEREOF, I have hereunto signed my name this 2nd day of June, 2016.

  
\_\_\_\_\_  
Print Name: Robert A. Paul

Title: Managing Member

I, Peter J. Richardson, \_\_\_\_\_, \_\_\_\_\_, HEREBY CERTIFY, that Robert A. Paul is the duly elected and acting Manager of the Company and that the signature appearing above is his/her signature.

IN WITNESS WHEREOF, I have hereunto signed my name this 2nd day of June, 2016.

  
\_\_\_\_\_  
Print Name: Peter J. Richardson

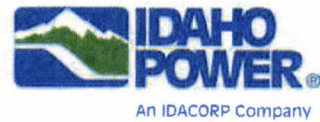
Title: Member

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 6**



June 6, 2016

Jackpot Solar  
Peter Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> Street  
Boise, ID 83702

SENT VIA: Email Only – [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

SUBJECT: Jackpot Solar North, South, East and West Energy Sales Agreement Applications

Mr. Richardson,

Idaho Power is in receipt of your Schedule 73 Energy Sales Agreement Applications (“Applications”) for the proposed Jackpot Solar North, Jackpot Solar South, Jackpot Solar East and Jackpot Solar West projects. Idaho Power has reviewed the information provided with the Applications and finds that they are complete as of June 3, 2016. In accordance with the Schedule 73 Contracting Procedures 1.c., an indicative pricing proposal will be provided for each proposed project within 20 business days.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Michael Darrington  
Senior Energy Contract Coordinator  
Phone: (208)388-5946  
Email: [mdarrington@idahopower.com](mailto:mdarrington@idahopower.com)

Cc: Randy Allphin (IPC)  
Donovan Walker (IPC)  
Robert Paul (Jackpot)

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 7**

June 29, 2016

Jackpot Solar  
Peter Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> Street  
Boise, ID 83702

SENT VIA: Email Only – [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

SUBJECT: Jackpot Solar North, South, East and West Indicative Pricing Proposals

Mr. Richardson,

Pursuant to your Idaho Power tariff Schedule 73 Qualifying Facility Energy Sales Agreement Applications (“Applications”) for the proposed Jackpot Solar North, Jackpot Solar South, Jackpot Solar East and Jackpot Solar West projects, and in accordance with the Schedule 73 Contracting Procedures, please find attached an indicative pricing proposal for each of your proposed projects. As described in Schedule 73, if you desire to proceed with contracting your QFs with Idaho Power (“Company”) after reviewing the indicative pricing proposal, please provide a written request that the Company prepare a draft Energy Sales Agreement (“ESA”) to serve as the basis for negotiations between the parties. The Company is under no obligation to purchase energy from these projects until the projects have successfully completed the Schedule 73 contracting process, both parties have agreed to all terms and conditions of an ESA, the ESA has been executed by both parties, and the ESA has been approved by the Idaho Public Utilities Commission (“IPUC”).

In your letters dated May 26, 2016, and June 3, 2016, you make reference to IPUC Order No. 33357 and state that these proposed projects “seek to execute contracts now and lock in calculated avoided capacity and energy costs projected for the next twenty years”. Order No. 33357 does not allow this to happen. Order No. 33357 establishes that the maximum length of new IRP-based contracts is two years, and provides that the utility’s **capacity deficiency** is established at the time of a QF’s initial two-year contract, should that QF remain in continuous operation and enter into subsequent two-year contracts with the utility. This order does not provide any authorization or authority for QF projects to lock in pricing, either for capacity or for energy, which extends beyond the two-year term of the contract, and in fact expressly directs that avoided cost pricing is established anew for each new contract’s two-year maximum term. The Order, and the language you cite to therefrom, allows the utility’s current **capacity deficiency** time period to be established at the time of the QF project’s initial two-year contract – which means that for any subsequent, new, two-year contract with continuous operation that the utility’s capacity deficiency time period remains the same as that which was established with the initial contract. As you know, QF projects do not receive the capacity component

of avoided cost rates during the utility's capacity sufficient time period, and receives only the energy component of avoided cost rates until the utility's first capacity deficit. Therefore, Idaho Power has included two years of pricing in its indicative pricing proposal as required by Schedule 73 and applicable IPUC orders. Idaho Power's current first capacity deficiency for avoided cost rates is July 2024 as established by Order No. 33377.

In addition to proposed contract prices, the indicative pricing proposal contains solar integration charges in accordance with Idaho Power's currently approved tariff Schedule 87, 301 – 400 MW Solar Capacity Penetration Level.

In response to your June 9, 2016, inquiry regarding the security deposit, you are correct that the current contractual language is the same standard provision requiring \$45 per kW Nameplate Capacity of the project to be posted within 30 days of a Commission Order approving a fully executed contract.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Darrington", with a stylized flourish at the end.

Michael Darrington  
Senior Energy Contract Coordinator  
Phone: (208)388-5946  
Email: mdarrington@idahopower.com

Cc: Randy Allphin (IPC)  
Donovan Walker (IPC)  
Robert Paul (Jackpot)

**Idaho Power Company  
PURPA Indicative Pricing Proposal  
June 29, 2016**

**Proposed Project:** Jackpot North, LLC  
**Nameplate Capacity (MW):** 20  
**Estimated Online Date:** December 1, 2018

In response to your Schedule 73 Qualifying Facility Energy Sales Agreement Application (“Application”) and in accordance with Idaho Public Utilities Commission (“IPUC”) Order No 33357, attached are two years of proposed indicative energy prices for the project specified above. These proposed indicative energy prices have been calculated using the incremental cost integrated resource plan (“ICIRP”) avoided cost methodology in accordance with IPUC Order No. 32697, all other applicable IPUC rules and regulations and the hourly energy estimates provided by the project. Solar Integration Charges are also included with these proposed indicative energy prices as provided by IPUC Order No. 33227 and Idaho Power tariff Schedule 87.

As specified in Idaho Power tariff Schedule 73, if the project desires to proceed with contracting its proposed Qualifying Facility with Idaho Power Company (“Company”) after reviewing the indicative pricing proposal, it shall request in writing that the Company prepare a draft Energy Sales Agreement (“ESA”) to serve as the basis for negotiations between the parties. The draft ESA will contain provisions that the project deliver energy consistent with the hourly and monthly energy estimates provided by the project and other performance requirements. The draft ESA will also require that Environmental Attributes (“Renewable Energy Certificates”) be equally split between the project and the Company.

The Company is under no obligation to purchase energy from this project until the project has successfully completed the Schedule 73 contracting process, both parties have agreed to all terms and conditions of an ESA, the ESA has been executed by both parties, and the ESA has been approved by the IPUC.

At any time prior to both parties executing an ESA, all terms and conditions contained within the draft ESA, the proposed indicative energy pricing provided within this document, or Schedule 73 may be modified to reflect current contracting rules and regulations, contracting standards, energy pricing modifications and any other circumstances that require a change in the draft ESA, pricing or process.

**Definitions:**

**Heavy Load Hours:** The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

**Light Load Hours:** The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

## INDICATIVE PRICING PROPOSAL

Month-Year	Base Energy Heavy Load Price	Base Energy Light Load Price	Integration Charge
	(Mills/kWh)	(Mills/kWh)	(Mills/kWh)
Dec-18	\$45.50	\$45.51	\$2.79
Jan-19	\$37.92	\$34.40	\$2.87
Feb-19	\$37.82	\$31.11	\$2.87
Mar-19	\$32.04	\$30.22	\$2.87
Apr-19	\$28.74	\$29.68	\$2.87
May-19	\$30.14	\$31.02	\$2.87
Jun-19	\$38.21	\$34.79	\$2.87
Jul-19	\$51.24	\$46.67	\$2.87
Aug-19	\$52.81	\$45.97	\$2.87
Sep-19	\$40.15	\$37.96	\$2.87
Oct-19	\$37.58	\$31.11	\$2.87
Nov-19	\$41.80	\$30.79	\$2.87
Dec-19	\$40.97	\$41.86	\$2.87
Jan-20	\$36.97	\$34.45	\$2.96
Feb-20	\$39.21	\$32.00	\$2.96
Mar-20	\$32.58	\$32.65	\$2.96
Apr-20	\$33.24	\$32.00	\$2.96
May-20	\$33.04	\$32.11	\$2.96
Jun-20	\$54.28	\$48.65	\$2.96
Jul-20	\$69.97	\$63.98	\$2.96
Aug-20	\$69.66	\$54.12	\$2.96
Sep-20	\$77.11	\$63.63	\$2.96
Oct-20	\$53.80	\$56.95	\$2.96
Nov-20	\$50.42	\$46.41	\$2.96

**Idaho Power Company  
PURPA Indicative Pricing Proposal  
June 29, 2016**

**Proposed Project:** Jackpot South, LLC  
**Nameplate Capacity (MW):** 20  
**Estimated Online Date:** December 1, 2018

In response to your Schedule 73 Qualifying Facility Energy Sales Agreement Application ("Application") and in accordance with Idaho Public Utilities Commission ("IPUC") Order No 33357, attached are two years of proposed indicative energy prices for the project specified above. These proposed indicative energy prices have been calculated using the incremental cost integrated resource plan ("ICIRP") avoided cost methodology in accordance with IPUC Order No. 32697, all other applicable IPUC rules and regulations and the hourly energy estimates provided by the project. Solar Integration Charges are also included with these proposed indicative energy prices as provided by IPUC Order No. 33227 and Idaho Power tariff Schedule 87.

As specified in Idaho Power tariff Schedule 73, if the project desires to proceed with contracting its proposed Qualifying Facility with Idaho Power Company ("Company") after reviewing the indicative pricing proposal, it shall request in writing that the Company prepare a draft Energy Sales Agreement ("ESA") to serve as the basis for negotiations between the parties. The draft ESA will contain provisions that the project deliver energy consistent with the hourly and monthly energy estimates provided by the project and other performance requirements. The draft ESA will also require that Environmental Attributes ("Renewable Energy Certificates") be equally split between the project and the Company.

The Company is under no obligation to purchase energy from this project until the project has successfully completed the Schedule 73 contracting process, both parties have agreed to all terms and conditions of an ESA, the ESA has been executed by both parties, and the ESA has been approved by the IPUC.

At any time prior to both parties executing an ESA, all terms and conditions contained within the draft ESA, the proposed indicative energy pricing provided within this document, or Schedule 73 may be modified to reflect current contracting rules and regulations, contracting standards, energy pricing modifications and any other circumstances that require a change in the draft ESA, pricing or process.

**Definitions:**

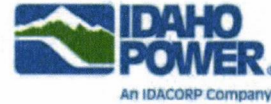
**Heavy Load Hours:** The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

**Light Load Hours:** The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

## INDICATIVE PRICING PROPOSAL

Month-Year	Base Energy Heavy Load Price	Base Energy Light Load Price	Integration Charge
	(Mills/kWh)	(Mills/kWh)	(Mills/kWh)
Dec-18	\$43.21	\$41.06	\$2.79
Jan-19	\$38.76	\$35.64	\$2.87
Feb-19	\$37.69	\$31.11	\$2.87
Mar-19	\$31.96	\$30.49	\$2.87
Apr-19	\$29.29	\$29.08	\$2.87
May-19	\$29.26	\$24.21	\$2.87
Jun-19	\$38.73	\$35.17	\$2.87
Jul-19	\$50.83	\$46.64	\$2.87
Aug-19	\$52.56	\$44.53	\$2.87
Sep-19	\$40.36	\$34.43	\$2.87
Oct-19	\$36.89	\$31.11	\$2.87
Nov-19	\$42.30	\$30.64	\$2.87
Dec-19	\$40.97	\$41.86	\$2.87
Jan-20	\$37.58	\$33.00	\$2.96
Feb-20	\$39.18	\$32.95	\$2.96
Mar-20	\$32.59	\$33.19	\$2.96
Apr-20	\$32.48	\$32.00	\$2.96
May-20	\$32.30	\$32.60	\$2.96
Jun-20	\$54.89	\$53.17	\$2.96
Jul-20	\$70.92	\$65.33	\$2.96
Aug-20	\$68.56	\$57.43	\$2.96
Sep-20	\$76.70	\$61.16	\$2.96
Oct-20	\$52.54	\$61.83	\$2.96
Nov-20	\$48.36	\$49.90	\$2.96

**CONFIDENTIAL**



**Idaho Power Company  
PURPA Indicative Pricing Proposal  
June 29, 2016**

**Proposed Project:** Jackpot East, LLC  
**Nameplate Capacity (MW):** 20  
**Estimated Online Date:** December 1, 2018

In response to your Schedule 73 Qualifying Facility Energy Sales Agreement Application (“Application”) and in accordance with Idaho Public Utilities Commission (“IPUC”) Order No 33357, attached are two years of proposed indicative energy prices for the project specified above. These proposed indicative energy prices have been calculated using the incremental cost integrated resource plan (“ICIRP”) avoided cost methodology in accordance with IPUC Order No. 32697, all other applicable IPUC rules and regulations and the hourly energy estimates provided by the project. Solar Integration Charges are also included with these proposed indicative energy prices as provided by IPUC Order No. 33227 and Idaho Power tariff Schedule 87.

As specified in Idaho Power tariff Schedule 73, if the project desires to proceed with contracting its proposed Qualifying Facility with Idaho Power Company (“Company”) after reviewing the indicative pricing proposal, it shall request in writing that the Company prepare a draft Energy Sales Agreement (“ESA”) to serve as the basis for negotiations between the parties. The draft ESA will contain provisions that the project deliver energy consistent with the hourly and monthly energy estimates provided by the project and other performance requirements. The draft ESA will also require that Environmental Attributes (“Renewable Energy Certificates”) be equally split between the project and the Company.

The Company is under no obligation to purchase energy from this project until the project has successfully completed the Schedule 73 contracting process, both parties have agreed to all terms and conditions of an ESA, the ESA has been executed by both parties, and the ESA has been approved by the IPUC.

At any time prior to both parties executing an ESA, all terms and conditions contained within the draft ESA, the proposed indicative energy pricing provided within this document, or Schedule 73 may be modified to reflect current contracting rules and regulations, contracting standards, energy pricing modifications and any other circumstances that require a change in the draft ESA, pricing or process.

**Definitions:**

**Heavy Load Hours:** The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

**Light Load Hours:** The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

## INDICATIVE PRICING PROPOSAL

Month-Year	Base Energy Heavy Load Price	Base Energy Light Load Price	Integration Charge
	(Mills/kWh)	(Mills/kWh)	(Mills/kWh)
Dec-18	\$43.28	\$41.11	\$2.79
Jan-19	\$38.02	\$30.86	\$2.87
Feb-19	\$38.60	\$31.11	\$2.87
Mar-19	\$31.18	\$30.56	\$2.87
Apr-19	\$28.56	\$29.70	\$2.87
May-19	\$29.11	\$27.34	\$2.87
Jun-19	\$37.90	\$32.50	\$2.87
Jul-19	\$50.19	\$46.34	\$2.87
Aug-19	\$52.47	\$44.54	\$2.87
Sep-19	\$40.38	\$37.15	\$2.87
Oct-19	\$36.47	\$31.11	\$2.87
Nov-19	\$39.99	\$30.57	\$2.87
Dec-19	\$40.97	\$41.86	\$2.87
Jan-20	\$36.09	\$38.02	\$2.96
Feb-20	\$39.25	\$32.40	\$2.96
Mar-20	\$33.26	\$32.82	\$2.96
Apr-20	\$33.33	\$32.00	\$2.96
May-20	\$32.06	\$32.33	\$2.96
Jun-20	\$54.34	\$52.77	\$2.96
Jul-20	\$68.90	\$60.26	\$2.96
Aug-20	\$67.89	\$54.29	\$2.96
Sep-20	\$68.99	\$58.43	\$2.96
Oct-20	\$54.46	\$62.17	\$2.96
Nov-20	\$49.62	\$43.02	\$2.96

**Idaho Power Company  
PURPA Indicative Pricing Proposal  
June 29, 2016**

**Proposed Project:** Jackpot West, LLC  
**Nameplate Capacity (MW):** 20  
**Estimated Online Date:** December 1, 2018

In response to your Schedule 73 Qualifying Facility Energy Sales Agreement Application (“Application”) and in accordance with Idaho Public Utilities Commission (“IPUC”) Order No 33357, attached are two years of proposed indicative energy prices for the project specified above. These proposed indicative energy prices have been calculated using the incremental cost integrated resource plan (“ICIRP”) avoided cost methodology in accordance with IPUC Order No. 32697, all other applicable IPUC rules and regulations and the hourly energy estimates provided by the project. Solar Integration Charges are also included with these proposed indicative energy prices as provided by IPUC Order No. 33227 and Idaho Power tariff Schedule 87.

As specified in Idaho Power tariff Schedule 73, if the project desires to proceed with contracting its proposed Qualifying Facility with Idaho Power Company (“Company”) after reviewing the indicative pricing proposal, it shall request in writing that the Company prepare a draft Energy Sales Agreement (“ESA”) to serve as the basis for negotiations between the parties. The draft ESA will contain provisions that the project deliver energy consistent with the hourly and monthly energy estimates provided by the project and other performance requirements. The draft ESA will also require that Environmental Attributes (“Renewable Energy Certificates”) be equally split between the project and the Company.

The Company is under no obligation to purchase energy from this project until the project has successfully completed the Schedule 73 contracting process, both parties have agreed to all terms and conditions of an ESA, the ESA has been executed by both parties, and the ESA has been approved by the IPUC.

At any time prior to both parties executing an ESA, all terms and conditions contained within the draft ESA, the proposed indicative energy pricing provided within this document, or Schedule 73 may be modified to reflect current contracting rules and regulations, contracting standards, energy pricing modifications and any other circumstances that require a change in the draft ESA, pricing or process.

**Definitions:**

**Heavy Load Hours:** The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

**Light Load Hours:** The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

## INDICATIVE PRICING PROPOSAL

Month-Year	Base Energy Heavy Load Price	Base Energy Light Load Price	Integration Charge
	(Mills/kWh)	(Mills/kWh)	(Mills/kWh)
Dec-18	\$43.67	\$43.81	\$2.79
Jan-19	\$38.73	\$35.53	\$2.87
Feb-19	\$39.46	\$31.11	\$2.87
Mar-19	\$31.76	\$30.28	\$2.87
Apr-19	\$28.55	\$30.29	\$2.87
May-19	\$30.85	\$29.79	\$2.87
Jun-19	\$37.77	\$34.07	\$2.87
Jul-19	\$50.49	\$46.64	\$2.87
Aug-19	\$51.96	\$44.68	\$2.87
Sep-19	\$39.45	\$33.87	\$2.87
Oct-19	\$36.90	\$31.11	\$2.87
Nov-19	\$41.47	\$34.27	\$2.87
Dec-19	\$41.66	\$41.86	\$2.87
Jan-20	\$36.98	\$35.24	\$2.96
Feb-20	\$39.38	\$32.39	\$2.96
Mar-20	\$32.16	\$32.61	\$2.96
Apr-20	\$30.87	\$32.27	\$2.96
May-20	\$31.33	\$32.56	\$2.96
Jun-20	\$53.93	\$50.26	\$2.96
Jul-20	\$71.06	\$62.91	\$2.96
Aug-20	\$70.22	\$59.28	\$2.96
Sep-20	\$69.93	\$57.90	\$2.96
Oct-20	\$52.58	\$57.26	\$2.96
Nov-20	\$50.07	\$43.95	\$2.96

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 8**



**RICHARDSON ADAMS, PLLC**  
ATTORNEYS AT LAW

Peter J. Richardson

Tel: 208-938-7901 Fax: 208-938-7904  
peter@richardsonadams.com

P.O. Box 7218 Boise, ID 83707 - 515 N. 27th St. Boise, ID 83702

July 7, 2016

Michael Darrington  
Senior Energy Contract Coordinator  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho 83702  
HAND AND ELECTRONIC DELIVERY

Re: Jackpot Solar West, East, North and South LLCs Qualifying Facility Energy Sales  
Agreement Applications – Contract Request and Follow-up Indicative Pricing  
Request

Dear Mr. Darrington:

Thank you for your letter of June 29, 2016, regarding the Jackpot Solar projects. We appreciate receipt of the two year energy rate for the initial two-year contract period and we ask that you now send appropriate contracts for our review and execution.

As to the question of capacity payments, there is apparently some confusion as to Idaho Power's understanding of our request. For that I apologize for any lack of clarity in our initial request. I believe we both understand that the contract term we are entitled to under Order No. 33357 is limited to two years. We also both seem to understand that Idaho Power's current capacity deficiency time period is to be established at the time of the initial two-year contract. You have provided that information and indicated that the first deficit year for these projects will be 2024. Thank you.

What is missing from your letter is the calculation of the capacity price these projects will be entitled to beginning in year 2024, assuming, of course, they continuously renew up to and through that year. Because, as you clearly acknowledge in your letter, "the utility's [Idaho Power's] capacity deficiency time period remains the same as that which was established with the initial contract," the rate associated with that fixed deficit period should be readily ascertainable when you run your IRP power cost model. Order No. 33357 clearly contemplated the requirement that the utility run this calculation when it

declared that, "QFs will continue to be compensated for capacity calculated at the time they initially enter their IRP-based contract." While we are clear that we are not entitled to capacity payments at the time we initially enter into our IPR-based contracts, we are also clear in our understanding that such future payments are to be "calculated at the time [we] initially enter [our] IRP-based contract."

I understand that you already have the 24X7 production estimates for each of the four projects, indeed your avoided energy rates were calculated using the first two years of that data. We therefore ask that you also calculate the avoided capacity rate applicable to these projects beginning in year 2024 extending through 2037. Again, we want to be clear that we are not asking for these rates to be inserted in our initial two-year IRP-based contract. We are only asking that the Company comply with the clear instructions in the Commission order in that the capacity rate for these future contracts be "calculated at the time" we "initially enter" our IRP-based contract. It certainly is prudent to do so now, while the information necessary to make this calculation is current. Waiting seven years to run this calculation would invite the risk of stale, lost or misplaced data and would make such a retrospective calculation of the rates most difficult, if not impossible.

Thank you for your continued prompt attention to this matter, and please feel free to give me a call if you have any questions.

Very truly yours,



Peter J. Richardson  
Richardson Adams, PLLC

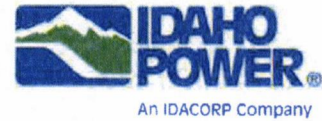
Cc: Donovan Walker  
Idaho Power Company

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 9**



July 20, 2016

Jackpot Solar  
Peter Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> Street  
Boise, ID 83702

SENT VIA: Email Only – [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

SUBJECT: Jackpot Solar North, South, East and West Energy Sales Agreement Request

Mr. Richardson,

Idaho Power received your letter on July 7, 2016, in which you have requested draft Energy Sales Agreements ("ESAs") for the proposed Jackpot North, Jackpot South, Jackpot East and Jackpot West projects.

Pursuant to Idaho Power tariff Schedule 73, Contracting Procedures, Section 1. (e.) please provide:

- i. Any updated information from Section 1.a.
- ii. Evidence of site control for the entire contracting term.
- iii. Anticipated timelines for completion of key Qualifying Facility milestones, to include:
  - a. Licenses, permits, and other necessary approvals;
  - b. Funding;
  - c. Qualifying Facility engineering and drawings;
  - d. Significant equipment purchases;
  - e. Construction agreement(s);
  - f. Interconnection agreement(s)
  - g. Signing of third-party Transmission Agreements, where applicable.

As you are aware, any project selling electricity to Idaho Power as a PURPA QF must be an Idaho Power designated network resource. Therefore, it will be required that the project(s) be studied and interconnected as a network resource ("NR"). It is my understanding that the Jackpot Solar projects have currently applied for interconnection as an energy resource ("ER") which would not result in the projects being Idaho Power network resources. Please provide confirmation that your projects have applied for interconnection as an Idaho Power NR.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Darrington", with a stylized flourish at the end.

Michael Darrington  
Senior Energy Contract Coordinator  
Phone: (208)388-5946  
Email: mdarrington@idahopower.com

Cc: Randy Allphin (IPC)  
Donovan Walker (IPC)  
Robert Paul (Jackpot)

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 10**

DONOVAN E. WALKER  
Lead Counsel  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)

July 20, 2016

**VIA E-MAIL ONLY**

Peter J. Richardson  
Richardson Adams, PLLC  
515 N. 27<sup>th</sup> St.  
P.O. Box 7218  
Boise, ID 83702  
E-mail: [peter@richardsonadams.com](mailto:peter@richardsonadams.com)

Re: Jackpot Solar North, South, East, and West – Two-Year Contract Pricing

Peter:

I write to address your continued insistence that your proposed projects are entitled to capacity rates, determined at the time of the QF's initial contract, to be applied to a potential future contract when Idaho Power's current capacity deficiency occurs in July of 2024. You know better than most that this is not correct.

You stated in your July 7, 2016, letter to Mr. Darrington that, "As to the question of capacity payments, there is apparently some confusion as to Idaho Power's understanding of our request." There is no confusion on the part of Idaho Power. The Commission's orders are clear. It was in fact the Commission's rejection of your previous arguments that provides clarity as to those same arguments you are making now.

Mr. Darrington politely, and correctly, pointed out in his letter of June 29, 2016, that your quoted language and misplaced argument for a lock-in of capacity **rates** is taken from the Commission's order and language addressing - not the proper capacity **rate** - but the proper **capacity deficiency time period**. The utility's capacity deficiency is established at the time of the QF's initial contract.<sup>1</sup> The proper avoided cost capacity rate is established at the start of each two-year contract term.<sup>2</sup> "A capacity rate calculated at the start of each specified term rather than upon a QF's initial contract, is a truer reflection of the utility's avoided cost for capacity."<sup>3</sup>

<sup>1</sup> Assuming continuous operation and subsequent two-year contracts. Order No. 33357, p. 25-26

<sup>2</sup> Order No. 33419, p. 23.

<sup>3</sup> *Id.*

It is exceedingly clear from review of the Commission's Order No. 33357, in its entirety and in particular pages 25 and 26, as well as from the Commission's Order No. 33419, p. 20-23, on reconsideration of Order No. 33357, that the capacity rate is calculated at the start of each specified two-year contract term, and not at the QF's initial contract. In fact, the Commission directly addressed this particular issue<sup>4</sup> on reconsideration in response to *your* arguments in that docket.<sup>5</sup> In rejecting your arguments made on behalf of Clearwater Paper Corporation and J.R. Simplot Company in your Petition for Reconsideration of Order No. 33357, the Commission stated:

If the utility has a capacity surplus, then a first-time QF entering into its two-year IRP contract is not eligible to receive any payment for capacity. However, if the purchasing utility has a capacity deficit in the initial or subsequent two-year contract, then the QF is eligible to receive capacity payments from that point forward.

Order No. 33419, p. 21. The Commission then went on to address, and reject, the same argument you are attempting to now make again on behalf of Jackpot Solar.

2. Forecasted Capacity Rates. The Petitioners also argue that PURPA's implementing regulations entitle them to a forecasted capacity rate when they enter into their contract/obligation. For example, if Clearwater or Simplot enters into a contract for their unbuilt and speculative facilities to be effective in 2015 but the utility has a capacity surplus until 2024, the Petitioners argue they are entitled to a future capacity rate for 2024, when the utility is capacity deficient. ... They assert the capacity adjustment does not comply with section 292.304(b) which "requires that the QF be provided a fixed price to sell that capacity at the time of commencement of the [contract or] obligation – not a rate calculated ... several years from now." Petition at 14.

**Commission Findings:** We find Petitioners misunderstand our Order and FERC regulations. The regulations provide that a QF has the option to either provide energy or capacity as available, or at avoided cost rates calculated "over [the] specified term." 18 C.F.R. § 292.304(d)(1), (2). If the QF chooses to sell power to the utility over a specified term, the

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<sup>4</sup> Order No. 33419, p. 22-23.

<sup>5</sup> Case No. IPC-E-15-01

QF may have the rates calculated for the term at either “the time of delivery; or ... at the time the obligation is incurred.” 18 C.F.R. § 292.304(d)(2)(1-11). In Order No. 33357, we determined that “the specified term” for new standard IRP-based contracts is two years. Thus, Clearwater and Simplot are entitled to receive avoided cost capacity rates for the specified term calculated at either the time of delivery or at the time they enter into their contract/obligation.

We also directed the Utilities to establish their capacity deficiency date when a QF’s initial IRP-based contract is signed. Order No. 33357 at 25-26. This capacity adjustment mechanism recognizes that if a QF continues to provide energy to a utility through when the utility would otherwise experience a capacity deficiency, the QF will be paid for its capacity contribution. But until a QF enters into a contract during which that capacity deficit date occurs, the avoided cost capacity rate is zero.

As Mr. Wenner opined, a QF “is entitled to receive [capacity] rates based on the capacity cost that the utility can avoid as a result of its obtaining capacity from the [QF].” Tr. at 586, *quoting* 45 Fed.Reg. at 12,225. A capacity rate calculated at the start of each specified term rather than upon a QF’s initial contract, is a truer reflection of the utility’s avoided cost for capacity. The capacity adjustment mechanism thus ensures the QF receives the full avoided cost of the utility, consistent with FERC regulations.

Order No. 33419, p. 22-23 (emphasis in original).

Consequently, as stated previously, the utility’s capacity deficiency is established at the time of the QF’s initial contract. The proper avoided cost capacity rate is established at the start of each two-year contract term. Idaho Power is currently capacity sufficient through July of 2024 for purposes of PURPA avoided cost determinations. Case No. IPC-E-15-20, Order No. 33377. Thus, your proposed Jackpot Solar QF projects receive an avoided cost capacity price of zero, unless and until they continuously enter into two-year term contracts that reach the July 2024 first capacity deficit. If that occurs, then the projects receive a capacity payment from that point forward. The first deficit of July 2024 is set now, at the time of Jackpot Solar’s initial contract. However, the price is set with the two-year contract that is entered into during which the capacity deficit date occurs. As you know the inputs to avoided cost rates are updated at least annually, and sometimes more frequently than annually.

Peter J. Richardson  
Jackpot Solar  
July 20, 2016  
Page 4 of 4

Jackpot Solar may be entitled to non-zero capacity payments starting in July of 2024, if they remain in continual operation and enter into consecutive two-year contracts that reach that first deficit date. However, the specific capacity rate will be determined at such time as if, and when, the contract is entered into during which that capacity deficit date occurs.

Sincerely,



Donovan E. Walker

cc: Randy Allphin  
Michael Darrington

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-16-21**

**IDAHO POWER COMPANY**

**ATTACHMENT 11**



**RICHARDSON ADAMS, PLLC**  
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September 1, 2016

Donovan Walker  
Lead Counsel  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho 83702  
HAND DELIVERY

Re: Jackpot Solar West, East, North and South LLCs Qualifying Facility Energy Sales  
Agreement Applications – Two Year Pricing

Dear Mr. Walker:

Thank you for your letter of July 20, 2016, regarding the Jackpot Solar QFs (referenced above) avoided cost pricing requests, (herein collectively either “Jackpot” or “Jackpot Solar”) I do note the fervor with which Idaho Power asserts its interpretation of the Idaho Commission’s ruling on capacity pricing for IRP-based QF contracts. Nevertheless, regardless of how strongly you assert your position that capacity prices are only calculated at the beginning of the two-year contract term in which the capacity deficit occurs, the simple fact is that the Commission’s order on reconsideration explicitly belies such an interpretation.

You do note in your letter several passages from the Commission’s order that suggest, in dicta, that your understanding may be accurate. Of course, you neglect to cite other passages, also in dicta, that support our understanding of the Commission’s decision. That said, I believe the Commission’s recitation of its original ordering paragraph should be sufficient to put the matter to rest. At page 9 from the order on reconsideration [No. 33419] the Commission quoted at length from its original final ordering paragraph [No. 33357] in the following passage:

Because each utility’s capacity deficiency date is updated and reset every two years as part of the IRP methodology, the Commission was concerned that new two-year IRP-based contracts “would be unlikely to reach a capacity deficiency

date.” Order No. 33357 at 25. In other words, under the two-year term, a contracting QF might never reach a point where its capacity is contributing to the utility’s system and would, therefore, never receive capacity payments.

To remedy this concern, the Commission found it

Reasonable for utilities to establish capacity deficiency at the time the initial IRP-based contract is signed. As long as the QF renews its contract and continuously sells power to the utility, the QF is entitled to capacity [rates] based on the capacity deficiency date established at the time of its initial contract.

It is significant that the bracketed word “rates” was inserted by the Commission in its order on reconsideration. It is also significant that the square bracketed word “rates” is not a parenthetical, but rather a Commission drafted and Commission insert editorial correction to complete the meaning of the sentence.<sup>1</sup> With the Commission’s clarification, there is simply no other way to understand the Commission order other than as we explained in or prior letters to you, to wit: the QF is “entitled to capacity rates based on the capacity deficiency date established at the time of its initial contract.” To parse this phrase to mean only that the deficiency date is established at the time of the initial contract eviscerates the Order’s clarity and obfuscates its meaning. The subject of the sentence is “capacity rates” which are based on the capacity deficiency date that is established at the time of the initial contract. There is simply no other logical way to read the Commission’s ultimate ruling on this question.

Your interpretation would make most of the phrase superfluous. You simply cast a blind eye to the fact that the Commission went out of its way to rule that the deficiency date AND the capacity rate are both calculated at the time of the initial contract. Had the Commission intended for only the capacity deficiency date to be calculated at the time of the initial contract it would not have gone out of its way to insert the word “rate” into its original ordering language on reconsideration.

Given the simple clarity of the Commission’s ruling, it is becoming frustrating for Jackpot Solar to continue this dialogue. The arguments are becoming repetitive. You should be aware that continued delay by Idaho Power in complying with the Commission’s clear directive is resulting in significant financial harm to Jackpot Solar. Without an initial and clear understanding of the future capacity payment stream it will be entitled to, Idaho Power is preventing Jackpot from successfully moving forward with its potential investors. We have repeatedly tried, but it turns out that it is simply impossible to move forward without an initial understanding of that future pricing stream. I probably do not need to remind you, but nevertheless will refresh your memory, that a utility’s failure to comply with “any order or decision of the commission” is actionable for “all loss, damage or injury” by “any person” and that jurisdiction will lie with “any court of competent” jurisdiction. Idaho Code Section 61-702. In other words, Jackpot

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<sup>1</sup> Square bracketed inserts are commonly used by editors, in this case the Commission itself, to clarify meaning and/or intent and are not used to alter or change the meaning of the original text.

has several options open to it to remedy Idaho Power's continued refusal to comply with the Commission's order -- options to which we hope we will not have to avail ourselves.

Thank you, again, for your prompt attention to this matter. I remain available at your earliest convenience to discuss, but be assured; Jackpot's patience has just about reached its limit.

Very truly yours,

A handwritten signature in cursive script, reading "Peter J. Richardson", followed by a long horizontal flourish.

Peter J. Richardson  
Richardson Adams, PLLC